

## Message Text

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11

ACTION EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 PA-01 PRS-01 AGR-05 /059 W

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R 120852Z JUL 76

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 3953

INFO AMEBASSY BANGKOK

AMEMBASSY MANILA

AMEMBASSY JAKARTA

AMEMBASSY SINGAPORE

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E.O. 11652: N/A

TAGS: ECON, MY

SUBJECT: MALAYSIAN EXPORT SECTOR EXPERIENCING STRONG RECOVERY

1. CENTRAL BANK PRELIMINARY FIRST QUARTER 1976 FIGURES INDICATE STRONG RECOVERY OF MALAYSIAN EXPORT SECTOR (45 PERCENT OF GNP).

2. VALUE OF FIRST QUARTER EXPORTS COMPARED TO SAME PERIOD ONE YEAR AGO SHOW: RUBBER UP 66 PERCENT, TIN DOWN 17 PERCENT, PALM OIL DOWN 19 034:3,5, SAW LOGS UP 59 PERCENT, MANUFACTURED GOODS UP 540 PERCENT. TOTAL EXPORTS UP 35 PERCENT TO M\$2797 MILLION WITH TOTAL IMPORTS UP 8 PERCENT TO M\$2210 MILLION RESULTING IN M\$587 MILLION TRADE SURPLUS, LARGEST EVER RECORDED.

3. MANUFACTURING INDEX UP 23 PERCENT FIRST QUARTER OVER YEAR AGO.

4. PRESENT INFLATION RATE ON ANNUAL BASIS 1.2 PERCENT. RATE EXPECTED TO INCREASE TO PERHAPS 4 PERCENT ANNUAL BASIS BY YEAR END.

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5. COMMENT: FAVORABLE FIRST QUARTER TRADE ACCOUNT BAISCALLY  
REFLECTS INCREASING DEMAND FOR COMMODITIES AS DEVELOPED  
COUNTRIES EMERGE FROM RECESSION, ALTHOUGH COMMODITY  
PRICE INCREASES INCLUDE ELEMENT OF SPECULATION RESULTING  
FROM UNCERTAINTY OVER BRITISH POUND. TRADE SURPLUS SHOULD  
NARROW IN SECOND HALF AS IMPORTS INCREASE BUT OVERALL  
SURPLUS FOR 1976 SEEMS LIKELY. STRONG SHOWING IN EXPORT  
SECTOR OF COURSE VERY HELPFUL IN PROVIDING GOVERNMENT  
REVENUES THROUGH EXPORT DUTIES AND CESS FOR FINANCING OF  
DEVELOPMENT PLAN. ALSO TIMELY IN RETAINING EXCELLENT  
CREDIT STANDING FOR ADDITIONAL MARKET BORROWINGS, IF NEEDED.  
UNDERHILL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC RECOVERY, EXPORTS, TRADE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** SmithRJ  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Film Number:** D760267-0779  
**From:** KUALA LUMPUR  
**Handling Restrictions:** n/a  
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**Office:** ACTION EA  
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**Previous Classification:** LIMITED OFFICIAL USE  
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**TAGS:** ECON, MY  
**To:** STATE  
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